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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 10/714,281

Filing Date: November 14, 2003

Appellant(s): CASTLEMAN ET AL.

Peter H. Priest (Reg. No. 30,210)
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 8/13/2010 appealing from the Office action mailed 03/17/2010.

(1) Real Party in Interest

The examiner has no comment on the statement, or lack of statement, identifying by name the real party in interest in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The following is a list of claims that are rejected and pending in the application:
Claims 5-24 are pending, stand rejected and are the subject of the appeal.
Claims 1-4 have been cancelled.

(4) Status of Amendments After Final

The examiner has no comment on the appellant's statement of the status of amendments after final rejection contained in the brief.

(5) Summary of Claimed Subject Matter

The examiner has no comment on the summary of claimed subject matter contained in the brief.

(6) Grounds of Rejection to be Reviewed on Appeal

The examiner has no comment on the appellant's statement of the grounds of rejection to be reviewed on appeal. Every ground of rejection set forth in the Office action from which the appeal is taken (as modified by any advisory actions) is being maintained by the examiner except for the grounds of rejection (if any) listed under the subheading "WITHDRAWN REJECTIONS." New grounds of rejection (if any) are provided under the subheading "NEW GROUNDS OF REJECTION."

(7) Claims Appendix

The examiner has no comment on the copy of the appealed claims contained in the Appendix to the appellant's brief.

(8) Evidence Relied Upon

Flagg U.S. Patent No. 6,456,979, issued 9/4/2002

Libman U.S. Patent No. 6,999,938, issued 2/14/2006

Debber Pre-Grant Pub No. 2003/0144887, issued 7/31/2003

Luchs U.S. Patent No. 4,831,526, issued 5/16/1989

Tyler U.S. Patent No. 5,523,942, issued 6/4/1996

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 5-13 and 20-24 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Independent claim 5 is directed to a system which comprises storage hosting a risk data repository, and insurance data repository and a risk evaluator. The storage and repositories constitute data and the risk evaluator is a software module. Hence, claim 5 is directed to non-patent eligible statutory matter.

Claims 6-13 and 20-24, as dependents of claim 5, are also rejected under the above analysis.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 5-24 are rejected under 35 U.S.C. 103(a) as being unpatentable over Flagg U.S. Patent No. 6,456,979 in view of Libman U.S. Patent No. 6,999,938, further in view of Debber Pre-Grant Pub. No. 2003/0144887.

For claim 5, Flagg discloses a system comprising: an insurance data repository including information about available insurance components (Fig. 12 element 250); and determining risks and costs associated with providing insurance and computing overall risk and cost for

an insurance product and adjust parameters of the package components including adjusting the cost of an insurance product in light of the effect on said risk of the at least additional component to optimize the risk and cost of the insurance product (Abstract, Fig. 2 element 90).

Flagg recites a matrix of risk values (Abstract). He does not specifically recite a risk data repository for storing risk information to be used in determining the risk and cost of providing insurance packages and a risk evaluator; however Debber does (¶ 73). It would have been obvious to one of ordinary skill in the art to combine the teachings of Flagg and Debber to have a risk data repository and to perform Flagg's method using computer software in order to readily access necessary risk data from such database and perform calculations of different computing devices.

Flagg and Debber do not disclose the insurance data repository including information about a mortgage insurance component and additional insurance components; however, Libman does (Fig. 9, col. 14 lines 23-27). It would have been obvious to one of ordinary skill in the art to combine the teachings of Flagg, Debber and Libman to include data about mortgage insurance and insurance packages in order to market bundled products to customers with more than one type of insurance need.

Claims 14 and 19 are rejected under the analysis of claim 5, as they recite the method performed by the above system.

For claim 6, Libman discloses a package terms development module and insurance packages (Col. 20 lines 45-67; col. 21 lines 55-58; col. 14 lines 23-27). It would have been obvious to one of ordinary skill in the art to combine the teachings of Debber and Libman to

allow for terms development based on different criteria in order to develop and market packages that are suitable to potential customers.

Claims 15-17 and claim 24 are rejected under the analysis of claim 6.

Claim 7 is rejected, as Debber recites an operator interface module (¶ 66).

Claim 8 is rejected under the analysis of claim 7.

Claim 9 is rejected under 35 U.S.C. 103(a) as being unpatentable over Flagg U.S. Patent No. 6,456,979 in view of Libman U.S. Patent No. 6,999,938, further in view of Debber Pre-Grant Pub. No. 2003/0144887 and Luchs et al., U.S. Patent No. 4,831,526.

For claim 9, Flagg, Debber and Libman do not recite a package negotiation module; however, Luchs discloses means for negotiating an insurance product (Fig 2 elements 82, 84; col. 16 lines 13-29). It would therefore have been obvious to one of ordinary skill in the art to combine the prior art to include a means by which a consumer can negotiate a product in order for providers to be more competitive.

With respect to claim 10, Libman recites insurance packages (Col. 14. lines 23-27). A predictable result of Flagg Debber and Libman would be to provide as many types of insurance packages as possible to clients in order to offer them better more customized products to meet their needs at competitive prices (KSR International Co. v. Teleflex Inc., 82 USPQ2d 1385 (U.S. 2007)). Furthermore, the type of insurance package is non-functional descriptive material that does not further limit the system of claim 5 (In re Gulack, 217 USPQ 401 (Fed. Cir. 1983), In re Ngai, 70 USPQ2d (Fed. Cir. 2004), In re Lowry, 32 USPQ2d 1031 (Fed. Cir. 1994); MPEP 2106.01 II).

Claims 11 and 20 rejected under the analysis of claim 10.

Claim 12 is rejected, as Debber recites a data processing system (Abstract).

Claim 13 is rejected, as Debber recites the Internet (Abstract).

For claim 18, Debber discloses presenting a hypertext form and receiving a submission of information entered using the hypertext forms (¶ 92, 93, 96).

Claim 21 is rejected under 35 U.S.C. 103(a) as being unpatentable over Flagg U.S. Patent No. 6,456,979 in view of Libman U.S. Patent No. 6,999,938, further in view of Debber Pre-Grant Pub. No. 2003/0144887 and Tyler, U.S. Patent No. 5,523,942.

With regards, to claim 21, Flagg, Debber and Libman do not specifically recite discounting the computed cost by taking into account a reduced likelihood of default on the mortgage due to the job loss component. However, Tyler discloses reducing policy costs based on certain parameters or clients' potential circumstances, such as early payments (Col. 33 lines 66-67, col. 7 line 1). It would therefore have been obvious to one of ordinary skill in the art to combine the prior art in order to see the impact of such parameters on costs and to accurately derive such costs.

Claim 22 is also rejected under the above analysis.

With regards to claim 23, Debber discloses an experience modifier module 412 which modifies insurance product data based on factors such as salary, job type, and historical loss for example. It would have been obvious to one of ordinary skill in the art to combine the

teachings of Flagg, Debber and Libman to include performance of a sensitivity analysis on the different parameters involved in illustrating an insurance product or package, in order to present different scenarios to customers that will help them choose the product that best meets their financial situations.

(10) Response to Argument

Rejection under 35 U.S.C. 101

With regards to the rejection of claim 5 under 35 U.S.C. 101, Appellant argues on page 11 of the appeal that "the storage is memory and not merely data." Examiner notes that Appellant does not recite the long-term storage to be memory; in fact, in their specification, Appellant distinguishes "memory 206 and long term storage 208" (¶ 23 of Pre-Grant Pub). Appellant also argues that "the claim addresses a classic computer implemented system and not simply data and not simply software." Examiner respectfully disagrees, because claim 5 does not positively recite a computer or processor as elements of the system. Rather the last limitation is directed to "a risk evaluator implemented as software module hosted by a computer and executed under control of a processor..." which Examiner interprets as software to be implemented or used with a computer, as opposed to a computer configured to execute software. The key difference is that Appellant's system is directed to data and software for use with a computer as opposed to directed to structural elements of said system.

The above response applies to claims 6-13 and 20-24, as they are directed to modules which are not structural elements but rather software to either present or gather data.

Rejection under 35 U.S.C. 103(a)

With respect to claim 5, Appellant argues that Flagg does not address "mortgage insurance or packages including a combination of a mortgage insurance component and at least one additional insurance component **having an effect on the risk of the mortgage insurance component when sold together with the mortgage insurance component.**" With regards to the Appellant's emphasized argument, the language is first in the preamble of the claim and does not structurally limit the claimed limitations.

On page 13, Appellant argues that Flagg "fails to teach any elements of claim 5 as the risk information in the risk data repository is used in determining the risk and cost of providing insurance packages." Examiner respectfully disagrees. Flagg discloses using risk data to determine certain risk factors and cost for providing insurance products (Abstract "A matrix of mortality...cost of insurance is adjusted in relation to the matrix. The matrix may include gender-based, lifestyle and pricing method risk values." Flagg does indeed fail to specifically recite a risk data repository and a risk evaluator; however Debber does recite a risk evaluator (¶ 73 "risk query module") and a risk database (¶ 77 "risk database 180").

Flagg and Debber do not disclose the insurance data repository including information about a mortgage insurance component and additional insurance components; however, Libman does (Fig. 9; col. 12 lines 45-63, col. 14 lines 23-27; col. 18 lines 8-13). The cited portions support the possibility of combining financial information for "financial products across fields, such as banking and insurance..." Fig. 9 also shows the storing of data for mortgages. Examiner's rationale for the combination is that Flagg recites the adjustment of insurance cost based on certain insurance components. Libman shows the combination of different insurance products. Hence it would have been obvious to one of ordinary skill in the

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art to add the disclosed features of Libman to Flagg and Debber to adjust cost of one insurance component based on any of the disclosed other insurance components found in Libman, as those features would have performed the same functions when combined as individually as yield predictable results (KSR International Co. v. Teleflex Inc., 82 USPQ2d 1385 (U.S. 2007)), while providing the benefit of marketing bundled products to customers with more than one type of insurance need. Furthermore, the data elements used in Appellants claimed limitations are a substitute of known elements for other known elements found in Libman (Ex parte Smith, 83 USPQ2d 1509 (Bd. Pat. App. & Int. 2007)).

Appellant also argues that the prior art does not recite job loss insurance; however Libman does recite unemployment insurance which is the same as job loss insurance (Co. 14 line 29).

Appellant also argues that claim 10 further limits claim 5. Examiner maintains that the type of insurance package is non-functional descriptive material that does not further limit the system of claim 5 (In re Gulack, 217 USPQ 401 (Fed. Cir. 1983), In re Ngai, 70 USPQ2d (Fed. Cir. 2004), In re Lowry, 32 USPQ2d 1031 (Fed. Cir. 1994); MPEP 2106.01 II). The rejection is maintained because the combination of insurance packages involves the combination of data elements which Appellant has not shown further limit the structure of system of claim 5.

With respect to claim 21, Appellant argues that the prior art does not teach "reducing the cost of one component of a package, mortgage insurance, based upon the impact there on of another component of the package, job loss insurance." Examiner respectfully disagrees. Tyler was introduced to show the reduction of one component or factor of a package/product

based on the impact of another component or factor, by teaching reciting reducing policy costs based on certain parameters or clients' potential circumstances (Col. 33 lines 66-67, col. 7 line 1). In the cited portion the factor was early payments which lead to a reduction in premiums. In Appellant's claim 21, the factors are a (a) mortgage insurance premium discounted by a (b) reduced risk of defaulting on the mortgage insurance due to job loss. The factors or components used are a substitution of known elements for other known elements in the field that yield predictable results, the reduction of a premium due to the lower risk involved with certain factors (Ex parte Smith, 83 USPQ2d 1509 (Bd. Pat. App. & Int. 2007)).

In response to applicant's argument that the examiner's conclusion of obviousness is based upon improper hindsight reasoning, it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971).

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

/V. L./

Examiner, Art Unit 3626

/C. Luke Gilligan/

Primary Examiner, Art Unit 3626

Conferees:

/C.L. G./

C. Luke Gilligan

Primary Examiner, Art Unit 3626

Vincent Millin /vm/

Appeals Conference Specialist